

OPEN MEETING



0000100459

ORIGINAL

MEMORANDUM RECEIVED

Arizona Corporation Commission

DOCKETED

TO: THE COMMISSION

2009 JUL -8 P 4: 32

FROM: Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

JUL -8 2009

DATE: July 8, 2009

DOCKETED BY

RE: IN THE MATTER OF THE APPLICATION FOR APPROVAL OF SOUTHERN SUNRISE WATER COMPANY'S TARIFF ADDRESSING MAIN EXTENSION CHARGES FOR PROPERTY OWNERS WITH FAILED WELLS LOCATED WITHIN THE COMPANY'S EXTENSION AREA GRANTED IN DECISION NO. 70955 (DOCKET NO. W-20454A-09-0301)

Introduction

On June 5, 2009, Southern Sunrise Water Company ("Company") filed a Main Extension Tariff ("ME Tariff") pursuant to Decision No. 70955 (April 7, 2009), which states as follows:

IT IS FURTHER ORDERED that within 60 days of the effective date of this Order, Northern Sunrise Water Company and Southern Sunrise Water Company shall file a tariff addressing main extension charges for property owners located within the companies' extension areas approved herein whose existing wells are no longer productive at their existing depths.

The Company consists of three water systems; Cochise, Horseshoe Ranch and Miracle Valley water systems, serving a total of approximately 840 customers near Sierra Vista, in Cochise County, Arizona.

Waiving of Timeclock

On June 23, 2009, at Staff's request, the Company filed a Notice of Filing waiving the 30-day timeclock in order to provide Staff more time for its review. In its Notice of Filing, the Company also amended its proposed ME Tariff.

Company's Proposed Tariff

The ME Tariff will apply to landowners with failed wells located within the Company's extension area granted in Decision No. 70955. This ME Tariff provides that a landowner within the service extension area who experiences the loss of a well, and who is not currently a customer of the Company, shall be able to connect to the Company's water systems without paying the Off-Site Hook-Up Fee ("HUF"). The HUF would normally apply to extensions of service to new customers per the HUF Tariff approved in Decision No. 68826, approved June 29,

2006, with effective dates of March 21, 2008 and July 16, 2008 for the Cochise/Horseshoe Ranch systems and Miracle Valley system, respectively. Such waiver does not apply to service line and meter installation charges.

Should the Company need to construct a new water main or extend an existing water main in order to extend service, the Company is then authorized to charge for the construction of the new or extended water main pursuant to this ME Tariff. Therefore, if a landowner qualifies under the ME Tariff and wishes to become a customer of the Company, which requires construction of a water main in order to extend service, the Company is authorized to enter into a main extension agreement requiring the landowner to advance the costs of construction based on the methodology set forth in the ME Tariff.

The Company provided a map depicting the extension area and an Opinion of Probable Construction Costs ("OPCC") of approximately \$62.46 per linear foot to construct a water main from the furthest point in the extension area to the Company's existing facilities. The ME Tariff provides that the Company will enter into a main extension agreement requiring the landowner to advance the actual costs of construction, or \$62.46 per lineal foot, whichever is less.

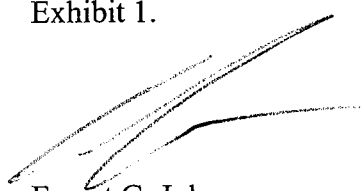
The Company may revise the OPCC estimate from time to time as conditions change concerning the location of existing facilities and/or the cost of materials. Any change to this ME Tariff requires the formal approval of the Commission. On July 1st of each year, the Company will submit a revised OPCC estimate, if needed, for Commission approval.

Staff's Review

Staff has reviewed the Company's OPCC cost estimate and finds it to be reasonable.

Staff's Recommendation

Staff recommends approval of the Company's Main Extension Tariff as reflected in Exhibit 1.


Ernest G. Johnson
Director
Utilities Division

EGJ:MSJ:lhv\WVC

ORIGINATOR: Marlin Scott, Jr.

Exhibit 1

		Revised	SHEET NO.	
Southern Sunrise Water Company	WATER SERVICE TARIFF SCHEDULE	Revised	SHEET NO	
Decision No.				

MAIN EXTENSION TARIFF – LANDOWNERS WITH FAILED WELLS

This main extension tariff applies only to those landowners located within the service extension area granted to Southern Sunrise Water Company ("Southern Sunrise" or "Company") in Decision No. 70955 (April 7, 2009). A map depicting the extension area is attached hereto. Any landowner within the extension area who experiences the loss of a water well, for any reason, and who is not currently a customer of Southern Sunrise, shall be able to connect to the Company's water distribution system without paying any applicable water Off-Site Hook-Up Fee at the time of the interconnection. Such waiver does not apply to service line and meter installation charges. However, in the event that Southern Sunrise is required to construct a new water main, or extend an existing water main, in order to extend water service to any such landowner who qualifies under this Tariff, then the Company is authorized to charge that landowner for the construction of a new or extended water main. Attached hereto is an Opinion of Probable Construction Costs ("OPCC") to construct a water main from the furthest point in the extension area to the Company's existing facilities. As a result of the OPCC, the **per linear-foot** cost of extending a water main is approximately **\$62.46**.

In the event that a landowner who qualifies under this tariff seeks to become a water customer of Southern Sunrise, but requires the construction of a water main in order to receive service, the Company is hereby authorized to enter in a main extension agreement requiring said landowner to advance the actual costs of construction, or **\$62.46** per linear foot, whichever is less.

The Company may revise the OPCC estimates from time to time as conditions change concerning the location of existing facilities and/or the cost of materials. Any change to this Tariff requires the formal approval of the Commission. On July 1st of each year, the Company will submit a revised OPCC estimate, if needed, for Commission approval.

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen
Southern Sunrise Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

OPINION OF PROBABLE CONSTRUCTION COST

Project Name:	Southern Sunrise Water System	Prepared by:	KDF	Date:	7/6/09
Project No.	1428.09	Checked by:	MDO	Date:	7/6/09
Location:	Nicksville, Cochise County Area	Client:	Southern Sunrise Water Company		
Description:	Service to most remote property in CC&N extension area				

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
1	6-inch PVC main and fittings	LS	1,590	\$45	\$71,550	Includes testing, chlorination and tie ins. Excludes pavement patch.
2	6-inch valve	EA	3	\$1,100	\$3,300	Estimated quantity.
3	¾-inch ARV	EA	1	\$2,200	\$2,200	Estimated quantity.
4	Copper service and meter	EA	1	\$1,600	\$1,600	Assumes service the most remote property.
5	2-inch drain valve assembly	EA	1	\$800	\$800	
	Sub-total				\$79,450	
	Approximately 25% Engineering & Contingencies				\$19,862	
	TOTAL				\$99,312	

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 KRISTIN K. MAYES
3 Chairman

4 GARY PIERCE
5 Commissioner

6 PAUL NEWMAN
7 Commissioner

8 SANDRA D. KENNEDY
9 Commissioner

10 BOB STUMP
11 Commissioner

12

13
14 IN THE MATTER OF THE APPLICATION
15 FOR APPROVAL OF SOUTHERN
16 SUNRISE WATER COMPANY'S TARIFF
17 ADDRESSING MAIN EXTENSION
18 CHARGES FOR PROPERTY OWNERS
19 WITH FAILED WELLS LOCATED WITHIN
20 THE COMPANY'S EXTENSION AREA
21 GRANTED IN DECISION NO. 70955

DOCKET NO. W-20454A-09-0301

DECISION NO. _____

ORDER

22
23 Open Meeting
24 July 28 and 29, 2009
25 Phoenix, Arizona

26 BY THE COMMISSION:

27 FINDINGS OF FACT

28 1. Southern Sunrise Water Company ("Company") is certificated to provide water as a
29 public service corporation in the State of Arizona.

30 2. On June 5, 2009, the Company filed a Main Extension Tariff ("ME Tariff")
31 pursuant to Decision No. 70955 (April 7, 2009), which states as follows:

32 *IT IS FURTHER ORDERED that within 60 days of the effective date of this Order,*
33 *Northern Sunrise Water Company and Southern Sunrise Water Company shall file*
34 *a tariff addressing main extension charges for property owners located within the*
35 *companies' extension areas approved herein whose existing wells are no longer*
36 *productive at their existing depths.*

37 3. The Company consists of three water systems; Cochise, Horseshoe Ranch and
38 Miracle Valley water systems, serving a total of approximately 840 customers near Sierra Vista, in
39 Cochise County, Arizona.

1 4. On June 23, 2009, at Staff's request, the Company filed a Notice of Filing waiving
2 the 30-day timeclock in order to provide Staff more time for its review. In its Notice of Filing, the
3 Company also amended its proposed ME Tariff.

4 5. The ME Tariff will apply to landowners with failed wells located within the
5 Company's extension area granted in Decision No. 70955. This ME Tariff provides that a
6 landowner within the service extension area who experiences the loss of a well, and who is not
7 currently a customer of the Company, shall be able to connect to the Company's water systems
8 without paying the Off-Site Hook-Up Fee ("HUF"). The HUF would normally apply to extensions
9 of service to new customers per the HUF Tariff approved in Decision No. 68826, approved June
10 29, 2006, with effective dates of March 21, 2008 and July 16, 2008 for the Cochise/Horseshoe
11 Ranch systems and Miracle Valley system, respectively. Such waiver does not apply to service
12 line and meter installation charges.

13 6. Should the Company need to construct a new water main or extend an existing
14 water main in order to extend service, the Company is then authorized to charge for the
15 construction of the new or extended water main pursuant to this ME Tariff. Therefore, if a
16 landowner qualifies under the ME Tariff and wishes to become a customer of the Company, which
17 requires construction of a water main in order to extend service, the Company is authorized to
18 enter into a main extension agreement requiring the landowner to advance the costs of construction
19 based on the methodology set forth in the ME Tariff.

20 7. The Company provided a map depicting the extension area and an Opinion of
21 Probable Construction Costs ("OPCC") of approximately \$62.46 per linear foot to construct a
22 water main from the furthest point in the extension area to the Company's existing facilities. The
23 ME Tariff provides that the Company will enter into a main extension agreement requiring the
24 landowner to advance the actual costs of construction, or \$62.46 per lineal foot, whichever is less.

25 8. The Company may revise the OPCC estimate from time to time as conditions
26 change concerning the location of existing facilities and/or the cost of materials. Any change to
27 this ME Tariff requires the formal approval of the Commission. On July 1st of each year, the
28 Company will submit a revised OPCC estimate, if needed, for Commission approval.

9. Staff has reviewed the Company's OPCC cost estimate and finds it to be reasonable.

10. Staff recommends approval of the Company's Main Extension Tariff as reflected in Exhibit 1.

CONCLUSIONS OF LAW

1. The Company is an Arizona public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over the Company and of the subject matter in this Application.

3. The Commission, having reviewed the request for approval of the tariff and Staff's Memorandum, dated July 8, 2009, concludes that it is in the public interest to approve the Main Extension Tariff as reflected in Exhibit 1.

ORDER

IT IS THEREFORE ORDERED that Southern Sunrise Water Company is hereby authorized to implement the Main Extension Tariff, a copy of which is attached as Exhibit 1, on the first day of the month after all customers are provided notice of the approved tariff.

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IT IS FURTHER ORDERED that Southern Sunrise Water Company shall docket the Main Extension Tariff, as approved herein, within 30 days of the effective date of this Decision.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2009.

MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EGJ:MSJ:lh\WVC

1 SERVICE LIST FOR: Southern Sunrise Water Company
2 DOCKET NO. W-20454A-09-0301

3 Mr. Patrick J. Black, Esq.
4 Fennemore Craig, PC
5 3003 North Central Avenue, Suite 2600
6 Phoenix, Arizona 85012-2913

7 Mr. Greg Sorensen
8 Northern Sunrise Water Company
9 12725 West Indian School Road
10 Suite D-101
11 Avondale, Arizona 85323

12 Mr. Ernest G. Johnson
13 Director, Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007

17 Ms. Janice M. Alward
18 Chief Counsel, Legal Division
19 Arizona Corporation Commission
20 1200 West Washington
21 Phoenix, Arizona 85007

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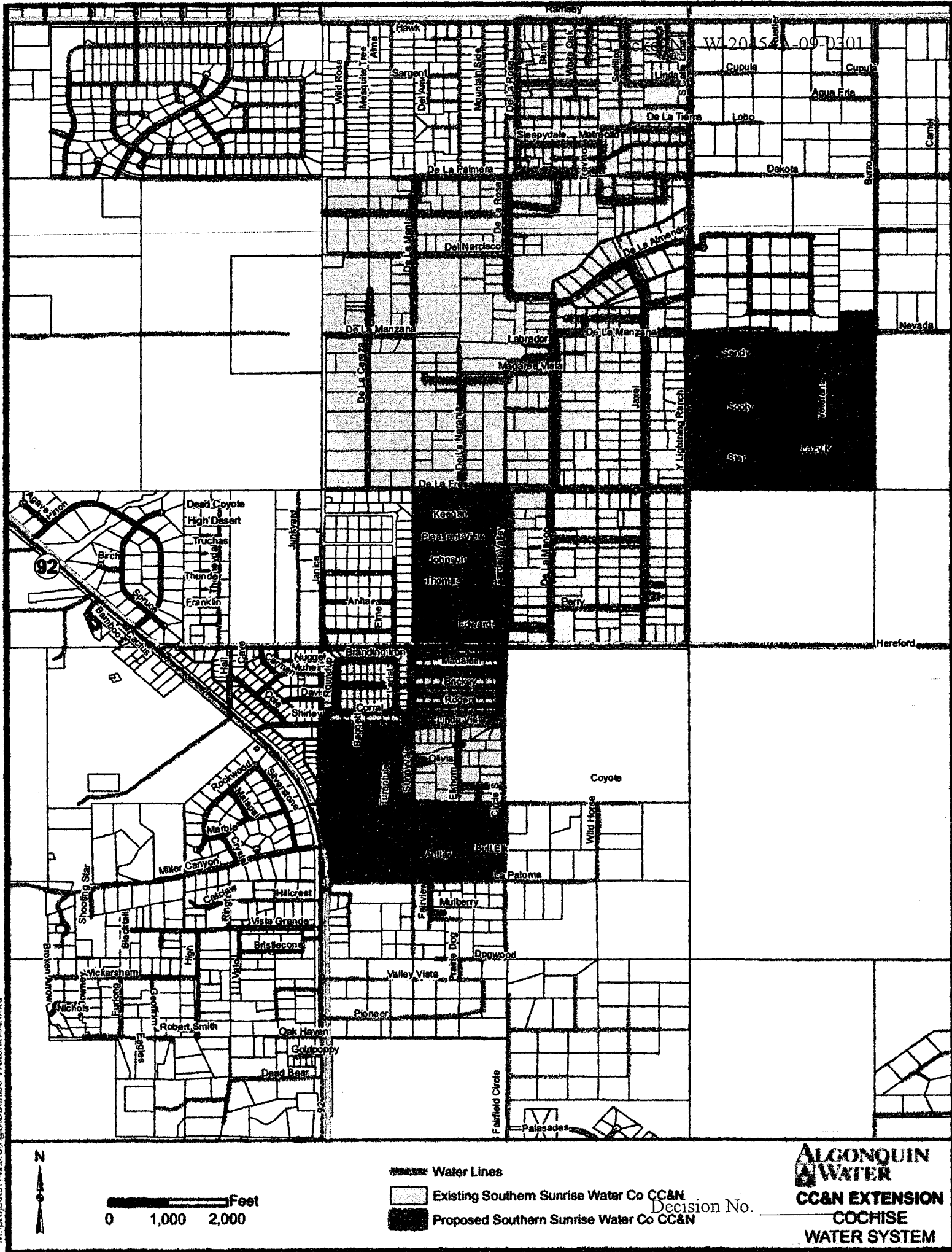
Issued: _____

ISSUED BY:

Effective : _____

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12725 W. Indian School Road, Suite D-101
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Decision No. _____



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